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PROPOSED ATTORNEYS FOR DEBTORS

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: § Chapter 11
ERG Intermediate Holdings, LLC, *et al.*,¹ § Joint Administration Pending
Debtors. § Case No.: 15-31858-hdh-11

**MOTION OF THE DEBTORS
FOR AN ORDER EXTENDING THE TIME WITHIN WHICH THE
DEBTORS MUST FILE THEIR (A) SCHEDULES AND STATEMENTS
OF FINANCIAL AFFAIRS AND (B) RULE 2015.3 FINANCIAL REPORTS**

The above-captioned debtors (the "Debtors") hereby move the Court for the entry of an order, pursuant to sections 105(a) and 521 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 1007 and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (i) setting a deadline 30 days after the Petition Date by which the Debtors must file their respective (a) schedules of assets, liabilities and executory contracts and unexpired leases, (b) statements of financial affairs (collectively, the "Schedules

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are ERG Intermediate Holdings, LLC (2521); ERG Resources, L.L.C. (0408); West Cat Canyon, L.L.C. (7377); ERG Interests, LLC (2081); and ERG Operating Company, LLC (7946). ERG Intermediate Holdings, LLC is the direct or indirect parent of each of its affiliated Debtors. The mailing address for each of the Debtors, with the exception of ERG Operating Company, LLC, is 333 Clay Street Suite 4400, Houston, TX 77002. The mailing address for ERG Operating Company, LLC is 4900 California Avenue Suite 300B, Bakersfield, CA 93309. The above addresses are listed solely for the purposes of notices and communications.

and Statements") and (c) initial reports of financial information in respect of entities in which the Debtors hold a controlling or substantial interest, as required by Bankruptcy Rule 2015.3 (the "Rule 2015.3 Reports"), and (ii) granting certain related relief. In support of this Motion, the Debtors incorporate the statements contained in the Declaration of R. Kelly Plato in Support of First-Day Pleadings (the "First Day Declaration") filed contemporaneously herewith and further respectfully state as follows:

Background

1. On April 30, 2015 (the "Petition Date"), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code.² By a motion filed on the Petition Date, the Debtors have requested that their chapter 11 cases be consolidated for procedural purposes only and administered jointly.

2. Debtor ERG Resources, L.L.C. ("ERG Resources") is a privately owned oil & gas producer that was formed in 1996. As further described below, ERG Resources (a) directly operates certain oil & gas properties in Texas and (b) operates certain oil & gas properties in California through its wholly owned subsidiary, ERG Operating Company, LLC ("ERG Operating Co."). The Debtors' corporate headquarters is located in Houston, Texas.

3. Since 2010, ERG Resources and ERG Operating Co. have been primarily engaged in the exploration and production of crude oil and natural gas in the Cat Canyon Field in Santa Barbara County, California. ERG Resources owns approximately 19,027 gross acres (18,794 net acres) of leasehold in the Cat Canyon Field which it has acquired through a series of transactions since 2010.

² This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this matter is proper in this district pursuant to 28 U.S.C. § 1409.

4. ERG Resources currently owns an average working interest of approximately ninety-seven percent (97%) and an average net revenue interest of approximately seventy-eight percent (78%) in these leases. ERG Interests, LLC, another wholly owned subsidiary of ERG Resources, currently owns a seven percent (7%) overriding royalty interest in the oil & gas leases owned by ERG Resources in the Cat Canyon Field. There is a single purchaser for all of the oil & gas production generated in the Cat Canyon Field.

5. ERG Resources also owns and operates oil & gas leases representing approximately 683 gross acres (680 net acres) of leasehold located in Liberty County, Texas. There are currently two (2) purchasers of the oil and gas produced from the Liberty County, Texas properties.

Legal Basis for Relief Requested

Cause Exists For an Extension of Time to File Schedules and Statements

6. Section 521 of the Bankruptcy Code and Bankruptcy Rules 1007(b) and (c) require a chapter 11 debtor to file with its voluntary petition — or within 14 days thereafter — its Schedules and Statements. Bankruptcy Rule 1007(c) provides a bankruptcy court with the ability to extend a debtor's time to file its schedules and statements "for cause."

7. Completing the Schedules and Statements requires the Debtors to collect, review and assemble a substantial amount of information. The Debtors' businesses are large and complex, including approximately \$400 million of liabilities and hundreds of relationship parties. Given the size and complexity of the Debtors' businesses and financial affairs and the critical matters that the Debtors' management and professionals were required to address prior to commencement of these chapter 11 cases, and must address in the early days of these cases, the requested limited extension of the deadline is warranted. The substantial size, scope and

complexity of these chapter 11 cases, and the volume of material that must be compiled and reviewed by the Debtors' limited staff to complete the Schedules and Statements for all of the Debtors during the hectic early days of these cases, provide ample "cause" justifying the requested extension.

8. The additional time requested herein also should help ensure that such documents are as accurate as possible. Additional time will help ensure that the relevant information is fully processed through the Debtors' information systems and can be incorporated into the relevant schedules. Rushing to complete the Schedules and Statements soon after the Petition Date likely would compromise the completeness and accuracy of the Schedules and Statements.

9. In large chapter 11 cases such as these, courts in this District have routinely found cause to extend the deadlines imposed by Bankruptcy Rule 1007. See, e.g., In re ALCO Stores, Inc., Case No. 14-34941, Docket No. 66 (Bankr. N.D. Tex. Oct. 16, 2014); In re Reddy Ice Holdings, Inc., Case No. 12-32349, Docket No. 89 (Bankr. N.D. Tex. Apr. 17, 2012); In re Erickson Ret. Cmtys., LLC, et al., Case No. 09-37010, Docket No. 240 (Bankr. N.D. Tex. Nov. 2, 2009); In re Cornerstone E&P Co., L.P., et al., Case No. 09-35228, Docket No. 50 (Bankr. N.D. Tex. Aug. 13, 2009); In re Pilgrim's Pride, Case No. 08-45664, Docket No. 77 (Bankr. N.D. Tex. Dec. 3, 2008).

10. Based upon the above, the Debtors respectfully request that the Court extend the deadline for filing the Schedule and Statements to 30 days from the Petition Date without prejudice to the Debtors' right to seek further extensions of such periods upon a showing of cause therefore pursuant to Bankruptcy Rule 1007.

Cause Exists to Extend the Time to File the 2015.3 Reports

11. Pursuant to Bankruptcy Rule 2015.3, a chapter 11 debtor must file a 2015.3 Report no later than seven days before the date set for the meeting of creditors pursuant to section 341 of the Bankruptcy Code (the "Section 341 Meeting"), and no less than every six months thereafter. Bankruptcy Rule 9006(b)(1) provides the Court with the ability to enlarge the period of time to file the Rule 2015.3 Reports "for cause." Bankruptcy Rule 2015.3(d) also provides the Court with the ability, after notice and a hearing, to modify the reporting requirements for cause, including that the debtor is "not able, after a good faith effort, to comply with those reporting requirements, or that the information . . . is publically available." Fed. R. Bankr. P. 2015.3(d).

12. The Debtors have begun to review Bankruptcy Rule 2015.3's requirements to see if they can provide the information required by the Official Form, but have not yet reached any conclusions in this regard. Extending the deadline for the initial Rule 2015.3 Reports will thus enable the Debtors to work with their advisors and the United State Trustee for the Northern District of Texas (the "U.S. Trustee") to determine the appropriate nature and scope of the Rule 2015.3 Reports and any proposed modifications to the reporting requirements established by Bankruptcy Rule 2015.3. Assuming that the Court grants the extension of time to file the Schedules and Statements contained herein, and further assuming the Section 341 Meeting will not be scheduled prior to seven days after the filing of the Schedules and Statements, the filing of the Rule 2015.3 Report 30 days after the Petition Date will be timely under Bankruptcy Rule 2015.3.

13. Accordingly, the Debtors respectfully request that the Court grant an extension of the time by which the Debtors must file their initial Rule 2015.3 Reports, setting

such deadline 30 days after the Petition Date to May 30, 2015, pursuant to Bankruptcy Rule 2015.3(d).

Notice

14. Notice of this Motion has been given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) the Debtors' twenty (20) largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; and (iii) counsel to the agents for the Debtors' prepetition and proposed postpetition secured lenders. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto as Exhibit A: (i) granting the relief sought herein; and (ii) granting to the Debtors such other and further relief as the Court may deem proper.

Dated: May 1, 2015
Dallas, Texas

Respectfully submitted,

/s/ Tom A. Howley

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PROPOSED ATTORNEYS FOR DEBTORS

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: § Chapter 11
§
ERG Intermediate Holdings, LLC, *et al.*,¹ § Joint Administration Pending
§
Debtors. § Case No.: 15-31858-hdh-11

**ORDER GRANTING MOTION OF THE DEBTORS
FOR AN ORDER (I) EXTENDING THE TIME WITHIN WHICH THE
DEBTORS MUST FILE THEIR (A) SCHEDULES AND STATEMENTS
OF FINANCIAL AFFAIRS AND (B) RULE 2015.3 FINANCIAL REPORTS**

This matter coming before the Court on the Motion of the Debtors for an Order Extending the Time Within Which the Debtors Must File Their (A) Schedules and Statements of

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are ERG Intermediate Holdings, LLC (2521); ERG Resources, L.L.C. (0408); West Cat Canyon, L.L.C. (7377); ERG Interests, LLC (2081); and ERG Operating Company, LLC (7946). ERG Intermediate Holdings, LLC is the direct or indirect parent of each of its affiliated Debtors. The mailing address for each of the Debtors, with the exception of ERG Operating Company, LLC, is 333 Clay Street Suite 4400, Houston, TX 77002. The mailing address for ERG Operating Company, LLC is 4900 California Avenue Suite 300B, Bakersfield, CA 93309. The above addresses are listed solely for the purposes of notices and communications.

Financial Affairs and (B) Rule 2015.3 Reports (the "Motion"),² filed by the above-captioned debtors (collectively, the "Debtors"); the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. § 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iv) notice of the Motion and the Hearing was sufficient under the circumstances; after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The time within which the Debtors must file their schedules of assets, liabilities and executory contracts and unexpired leases and Rule 2015.3 Reports is extended through and including [_____], 2015, without prejudice to the Debtors' right to seek further extensions of such periods upon a showing of cause therefore.

###END OF ORDER###

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

Submitted by:

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EXHIBIT B

Certificate of Conference with U.S. Trustee

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§ Chapter 11
	§
ERG Intermediate Holdings, LLC, <i>et al.</i> , ¹	§ Joint Administration Pending
	§
Debtors.	§ Case No.: 15-31858-hdh-11

CERTIFICATE OF CONFERENCE PURSUANT TO L.B.R. 1007-1(b)

I, Brad B. Erens, hereby certify that counsel for the above-captioned debtors delivered an advance copy of the Motion of the Debtors for an Order Extending the Time Within Which the Debtors Must File Their (A) Schedules and Statements of Financial Affairs and (B) Rule 2015.3 Reports (the "Motion") with the Office of the United States Trustee for the Northern District of Texas (the "U.S. Trustee") on April 29, 2015. The U.S. Trustee had not given any comment regarding the relief sought in the Motion at the time of the filing of the Motion. The Debtors intend to work proactively with the U.S. Trustee in the event that any issues with respect to the relief sought in the Motion are raised.

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Dated: May 1, 2015
Dallas, Texas

Respectfully submitted,

/s/ Brad B. Erens

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